



MULTI COMMODITY EXCHANGE OF INDIA LIMITED

Regd. Office: Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai - 400093
Tel.: 022 6731 8888 Fax: 022 6649 4151 website: www.mcxindia.com

POSTAL BALLOT NOTICE

(Notice pursuant to Section 192A of the Companies Act, 1956)

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Rules") (including any statutory modification or re-enactment thereof for the time being in force), for seeking your consent, to pass the proposed resolutions as Special Resolutions through Postal Ballot with respect to the Special Business(es) of alteration of the Main objects clause of the Memorandum of Association (MOA) and amendment of Article 30 of the Articles of Association (AOA), in accordance with the directions of Forward Markets Commission (FMC/The Commission).

In terms of Section 192A of the Companies Act, 1956 read with the Rules, the item of business set out in the resolutions appended below are to be passed by Postal Ballot. Accordingly, the Company is seeking your approval in respect of the said matters through Postal Ballot. The Resolutions and explanatory statement pertaining to the said Resolutions, pursuant to Section 173 (2) of the Companies Act, 1956, setting out the relevant material facts and the reasons for which such resolutions are proposed, are appended herewith for your consideration along with a 'Postal Ballot Form' and self-addressed postage pre-paid business reply envelope.

If you are voting through Postal Ballot Form (i.e. physical Ballot), you are requested to carefully read the instructions printed on the Form enclosed herewith and return it, duly completed and signed along with your assent (FOR) or dissent (AGAINST) in the attached self-addressed postage pre-paid business reply envelope, so as to reach the Scrutinizer on or before the close of working hours i.e. **6:30 p.m. on January 20, 2014. Please note that any Postal Ballot Form(s) received after that date will be treated as not having been received.**

For e-voting, please read carefully the "Procedure/Instructions for e-voting" enumerated in the notes to this Notice.

The Board of Directors of the Company ("Board"), in compliance with Rule (6), has appointed CS B. Narasimhan, Proprietor of M/s. BN & Associates, Company Secretaries, Mumbai, as Scrutinizer, for conducting the said Postal Ballot process in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman or any Director of the Company, after completion of scrutiny, on or before January 23, 2014. The result of the Postal Ballot will be announced by the Chairman or any Director of the Company on Friday, January 24, 2014 at 12.00 noon at Company's registered office. In addition to the results being communicated to BSE Limited, it shall also be displayed at the Company's registered office and on its website i.e. www.mcxindia.com. It will subsequently be published in at least one English and one Marathi newspaper circulating in Maharashtra. If the proposed resolution(s) is/are assented by a requisite majority, it shall be deemed to have been duly passed at a general meeting. The resolution(s) will become effective on and from the date of announcement of result of the Postal Ballot by the Chairman or any Director of the Company. The Board of Directors has appointed Mr. Pravir Vohra, FMC Approved Independent Director and Mr. P. Ramanathan, Sr. Vice President & Company Secretary as the persons responsible for the entire Postal Ballot process.

SPECIAL BUSINESS(ES):

1. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT in accordance with Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and to comply with the directions of Forward Markets Commission, consent of the Company be and is hereby accorded to delete the words '**securities**' and '**ready**' and incorporate the words '**including related eco-systems**' after the words 'all support services relating thereto' in the main objects in clause III (A) (1) of the Memorandum of Association of the Company, which, when modified, will read as under:

- III (A) 1. To establish, operate, regulate, maintain and manage facilities in Mumbai and elsewhere in India and abroad enabling the members of the Exchange, their authorized agents and constituents and other participants to transact, clear and settle trades done on the Exchange in different types of contracts in commodities and other instruments and derivatives thereof, in forward and futures markets and to provide accessibility to the markets to various members of the Exchange and their authorised agents and constituents and other participants within and/ or outside India, and to provide, initiate, facilitate and undertake all support services relating thereto including related eco-systems as per the Articles of Association, Bye-Laws, Rules and Regulations of the Exchange."

2. To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and to comply with the directions of Forward Markets Commission, consent of the Company be and is hereby accorded to delete the following clause relating to ‘Non-retiring Directors’ in Article 30 of the Articles of Association of the Company:

Non-retiring Directors

Mr. Jignesh Shah shall be a permanent Director of the Company and shall hold office which shall not be liable to retire by rotation.”

By Order of the Board of Directors

For Multi Commodity Exchange of India Limited

November 27, 2013

P. Ramanathan

Mumbai

Sr. Vice President & Company Secretary

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No. 1

Your Company, being a commodity exchange, is regulated by FMC. The Commission, while reviewing the Objects clause of the Company, has observed that the main objects clause of the MOA contains reference to other un-related/un-regulated activities relating to securities, ready markets, etc. It is of the view that as the main business of the Exchange relates to activities of the commodity markets, i.e. trading in forward contracts, for which the Exchange has been granted permanent recognition under Section 6 of the Forward Contracts (Regulation) Act, 1952, inclusion of other activities in the main objects clause dilutes the focus on commodity markets as the main or principal activity of the Exchange. Hence, the Commission has directed the Company to alter the main objects clause and only retain the activities pertaining to the commodity markets and its related eco-systems.

Pursuant to the directions of FMC, the words ‘**securities**’ and ‘**ready**’ existing in the main objects in clause III (A) (1) of the MOA be deleted and the words ‘**including related eco-systems**’ after the words ‘all support services relating thereto’ be incorporated in the aforesaid clause. The Board, at its meeting held on November 27, 2013, has approved seeking consent of the Members for the proposed alteration. The present clause and the alteration therein are given below:

Relevant Extract of the Present Clause (highlighting in bold the words to be deleted)	Proposed Clause (after deleting the words ‘securities’ and ‘ready’ and incorporating the words ‘including related eco-systems’)
To establish, operate, regulate, maintain and manage facilities in Mumbai and elsewhere in India and abroad enabling the members of the Exchange, their authorised agents and constituents and other participants to transact, clear and settle trades done on the Exchange in different types of contracts in commodities, securities and other instruments and derivatives thereof, in ready , forward and futures markets and to provide accessibility to the markets to various members of the Exchange and their authorised agents and constituents and other participants within and/ or outside India, and to provide, initiate, facilitate and undertake all support services relating thereto as per the Articles of Association, Bye-Laws, Rules and Regulations of the Exchange.	To establish, operate, regulate, maintain and manage facilities in Mumbai and elsewhere in India and abroad enabling the members of the Exchange, their authorised agents and constituents and other participants to transact, clear and settle trades done on the Exchange in different types of contracts in commodities and other instruments and derivatives thereof, in forward and futures markets and to provide accessibility to the markets to various members of the Exchange and their authorised agents and constituents and other participants within and/ or outside India, and to provide, initiate, facilitate and undertake all support services relating thereto including related eco-systems as per the Articles of Association, Bye-Laws, Rules and Regulations of the Exchange.

The Board recommends the Special Resolution set out at item no. 1 of the accompanying Notice for approval by the Members. The MOA of the Company and the relevant letters from FMC are available for inspection for the Members of the Company from 10.00 A.M. to 1.00 P.M. on working days of the Company, up to the last date for e-voting/receipt of Postal Ballot Forms i.e. January 20, 2014.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution, except to the extent of their respective shareholding in the Company, if any.

Item No. 2

Considering the Revised FMC Guidelines for Constitution of the Board of Directors, Nomination of Independent Directors and appointment of Chief Executive at the Nationwide Multi Commodity Exchanges dated August 12, 2013 read with modification of the Revised Guidelines dated September 13, 2013 with respect to class of shareholder director, FMC vide its letter no. 4/4/2013-MKT-I/BOD/MCX dated October 14, 2013 has directed the Exchange to delete the clause relating to ‘Non-retiring Directors’ in

Article 30 of the Articles of Association of the Company as the same is contrary to the aforesaid Revised Guidelines read with the modification thereto.

To comply with the said directions, the Board, at its meeting held on November 27, 2013, has approved seeking consent of the Members for deleting the clause relating to 'Non-retiring Directors' in Article 30 of the AOA of the Company. The present clause relating to the Non-retiring Directors which shall stand deleted on passing of this Resolution is reproduced below:

Non-retiring Directors

Mr. Jignesh Shah shall be a permanent Director of the Company and shall hold office which shall not be liable to retire by rotation.

The Members are requested to note that Mr. Jignesh Shah has resigned from the Board on October 31, 2013.

The Board recommends the Special Resolution set out at item no. 2 of the accompanying Notice for approval by the Members. The Articles of Association of the Company and the relevant letter from FMC is available for inspection for the Members of the Company from 10.00 A.M. to 1.00 P.M. on working days of the Company up to the last date for e-voting/receipt of Postal Ballot Forms i.e. January 20, 2014.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution, except to the extent of their respective shareholding in the Company, if any.

By Order of the Board of Directors

For Multi Commodity Exchange of India Limited

November 27, 2013

P. Ramanathan

Mumbai

Sr. Vice President & Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956, in respect of the abovementioned business is annexed hereto.
2. The Notice is being sent to all the Members of the Company, whose names appear in the Register of Members and Register of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on **December 13, 2013** (cut-off date) and the voting rights shall also be reckoned on the paid-up value of shares registered in the name of the Member(s) as on the said cut-off date.
3. **Only a member entitled to vote is entitled to exercise his vote through e-voting/physical Ballot and send it to the Scrutinizer. Any person having no voting rights should treat this Notice as intimation only.**
4. **PROCEDURE/INSTRUCTIONS FOR E-VOTING:** In compliance with the provisions of Section 192A of the Companies Act, 1956 read with the Rules and Clause 35B of the Listing Agreement, the Company is pleased to offer **e-voting facility** as an alternative mode of voting for its Members, which will enable them to cast their votes electronically. Kindly note e-voting is **optional**. Member(s) shall opt for only one mode of voting i.e. by physical Ballot or e-voting. If a Member has opted for e-voting then he should not vote by physical Ballot and vice versa. However, if Member(s) cast their vote through physical ballot as well as by e-voting, then the voting through physical Ballot shall prevail. The instructions for Members for e-voting are as under:-

A. In case a Member receives an e-mail from Karvy Computershare Pvt. Ltd. (Karvy):

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e.user ID and password mentioned in your email/Postal Ballot Form). Your Folio No./DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

User ID:	<u>For Members holding shares in Demat form:</u> a. For NSDL: 8 character DP ID followed by 8 digits Client ID b. For CDSL: 16 digits Beneficiary ID/Client ID <u>For Members holding shares in Physical form:</u> Event no. (EVEN) followed by Folio No. registered with the Company.
Password:	Your Unique Password is printed on the Postal Ballot Form/provided in the email forwarding the electronic notice.

- iii) After entering these details appropriately, Click on "LOGIN"
- iv) You will now reach Password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact

details like mobile#, email ID etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the "EVENT" i.e. Multi Commodity Exchange of India Limited.
- vii) On the voting page, enter the number of shares as on the cut-off date (which represents the number of votes) under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii) Cast your vote by selecting an appropriate option and click on "**Submit**". A confirmation box will be displayed. Click "**OK**" to confirm else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on all the resolutions.
- ix) Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies), to the Scrutinizer ate-mail id: mcx.postalballot@karvy.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO."

B. In case a Member receives Postal Ballot Form by Post:

- i) Initial password is provided at the bottom of the Postal Ballot Form.
 - ii) Please follow all steps from Sl. No. (i) to Sl. No. (ix) as mentioned in (A) above, to cast e-vote.
- C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders, available at the download section of <https://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. at Tel. No. 1800 345 4001 (Toll free).
- 5. Eligible Shareholders who have not received/received the Postal Ballot notice by email and who wish to vote through physical Ballot can download the Form from the link <https://evoting.karvy.com> or from the website of the Company www.mcxindia.com
 - 6. Members can cast their vote online from **9.00 a.m. on Sunday, December 22, 2013 till 6.30 p.m. on Monday, January 20, 2014** as the e-voting module shall be disabled for voting by Karvy thereafter. A Member desiring to exercise their vote by physical Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope. Postage will be borne and paid by the Company. However, the Postal Ballot Form, if sent by courier or by speed/registered post etc., at the expense of the Members will also be accepted. The envelope containing the Postal Ballot Form should reach the Scrutinizer not later than the close of business hours i.e. **6.30 p.m. on January 20, 2014**.
 - 7. The Scrutinizer will submit his report to the Chairman or any Director and the result of the Postal Ballot shall be announced by the Chairman, or in his absence, any Director on Friday, January 24, 2014 at 12:00 noon at the Company's registered office at Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai – 400093. The resolutions will be taken as passed effective on and from the date of announcement of the result by the Chairman or any Director, if the result of the Postal Ballot indicates that the requisite majority of the Members have assented to the Resolution. Members who wish to be present at the time of declaration of the result may be present at the above mentioned venue.
 - 8. Subsequently, the result of the Postal Ballot will be submitted to BSE Limited for uploading on their website and the same shall also be displayed on the Company's website www.mcxindia.com and will be published in atleast one English and one Marathi newspaper circulating in Maharashtra.
 - 9. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiative of the Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form and self-addressed postage pre-paid business reply envelope. A member may request for a duplicate Postal Ballot Form from Company's Registrar & Share Transfer Agent:

Karvy Computershare Private Limited

(Unit: Multi Commodity Exchange of India Limited)

Plot Nos. 17 – 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081.

Tel: +91 40 44655000, Fax: +91 40 44655024, email: einward.ris@karvy.com

Enclosures:

- 1. Postal Ballot Form and self-addressed postage pre-paid business reply envelope